

Presented to the Court by the foreman of the
Grand Jury in open Court, in the presence of
the Grand Jury and FILED in the U.S.
DISTRICT COURT at Seattle, Washington.

NOVEMBER 30 2016
WILLIAM M. McCOOL, Clerk
By [Signature] Deputy

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

LINDA KNUTZEN, a/k/a LINDA LEY

Defendant.

CR16-312 RSM

INDICTMENT

The Grand Jury charges:

COUNTS 1-5
(Bank Fraud)

A. The Scheme and Artifice to Defraud

1. Beginning at a time unknown but within the past ten years and continuing through April 2013, in Tulalip, within the Western District of Washington, and elsewhere, defendant LINDA KNUTZEN, and others known and unknown, did knowingly and willfully devise and execute, aid and abet the execution of, and attempt to execute a scheme and artifice to defraud Bank of America, a financial institution as defined under Title 18, United States Code, Section 20, and to obtain moneys, funds, credits, assets and other property under the custody and control of Bank of America by

1 means of materially false and fraudulent pretenses, representations and promises, as
2 described below.

3 2. The essence of the scheme and artifice to defraud was for
4 LINDA KNUTZEN to obtain funds from Bank of America, by accessing customer bank
5 accounts and using customers' personal identifying information to withdraw money for
6 her own use and benefit, without customer authorization, and to transfer money from
7 customer accounts to other Bank of America accounts, which LINDA KNUTZEN had
8 established in the names of various other individuals, and then to withdraw these funds
9 for her own use and benefit.

10 **B. Manner and Means of the Scheme and Artifice to Defraud**

11 3. It was part of the scheme and artifice to defraud and to obtain moneys,
12 funds and credits by false representations that LINDA KNUTZEN, in her role as personal
13 banker, for the Quil Ceda branch of Bank of America, targeted elderly or otherwise
14 vulnerable customers of Bank of America to obtain their personal identifying information
15 and access to their bank accounts ("source accounts").

16 4. It was further part of the scheme and artifice to defraud and to obtain
17 moneys, funds and credits by false representations that LINDA KNUTZEN withdrew
18 sums of money from Bank of America customers' accounts without the customers'
19 knowledge or permission for her personal use and benefit.

20 5. It was further part of the scheme and artifice to defraud and to obtain
21 moneys, funds and credits by false representations that LINDA KNUTZEN convinced
22 certain of her friends and acquaintances to open Bank of America bank accounts in their
23 names and the names of their minor children ("pass-through accounts").

24 6. It was further part of the scheme and artifice to defraud and to obtain
25 moneys, funds and credits by false representations that LINDA KNUTZEN obtained
26 ATM cards for the pass-through accounts.

27 7. It was further part of the scheme and artifice to defraud and to obtain
28 moneys, funds and credits by false representations that LINDA KNUTZEN transferred

1 funds from the source accounts to the pass-through accounts without the authorization or
2 knowledge of the pass-through account holder or the source account holder.

3 8. It was further part of the scheme and artifice to defraud and to obtain
4 moneys, funds and credits by false representations that LINDA KNUTZEN withdrew
5 funds from the pass-through accounts for her own use and benefit by ATM withdrawals
6 and debit card purchases.

7 9. It was further part of the scheme and artifice to defraud and to obtain
8 moneys, funds and credits by false representations that LINDA KNUTZEN, in her role as
9 a personal banker, directed bank employees to process bank transactions in furtherance of
10 the scheme and artifice to defraud, which LINDA KNUTZEN knew were conducted in
11 violation of the bank's policies.

12 10. It was further part of the scheme and artifice to defraud and to obtain
13 moneys, funds and credits by false representations that LINDA KNUTZEN converted the
14 fraudulently misappropriated funds to her own use by means of cashier's checks, fund
15 transfers, and cash withdrawals, all without the customers' knowledge or permission.

16 11. As a result of the scheme and artifice to defraud LINDA KNUTZEN
17 fraudulently obtained in excess of forty-five thousand dollars (\$45,000) for her own
18 benefits and purposes.

19 **C. Execution of the Scheme and Artifice to Defraud**

20 12. On or about the below dates, within the Western District of Washington,
21 and elsewhere, LINDA KNUTZEN executed, attempted to execute, and aided and
22 abetted the execution of the above-described scheme and artifice to defraud, and to obtain
23 money, funds, credits, assets and property under the custody and control of Bank of
24 America by means of false and fraudulent pretenses, representations, and promises, by
25 conducting and directing others to conduct the below-listed transactions, with each such
26 transaction constituting a separate Count in this Indictment:
27
28

Count	Date	Transaction
1	June 6, 2012	Transfer of \$1,000.00 from Bank of America account ending in 4533, in the name of W.Z., to Bank of America account ending in 6125, in the name of R.W.
2	November 13, 2012	Transfer of \$1,500 from Bank of America account ending in 7599, in the name of G.H, to Bank of America account ending in 5159, in the name of J.W.M.
3	November 30, 2012	Cash withdrawal of \$1,500 from Bank of America account ending in 7599, in the name of G. H.
4	December 19, 2012	Deposit of cashier's check, ending in 0191, in the amount of \$965.43, into Bank of America account ending in 5159 in the name of J.W.M.
5	January 28, 2013	Transfer of \$1,200.00 from Bank of America account ending in 1063, in the name of J.W., to Bank of America account ending in 7166, in the name of S.D.

All in violation of Title 18, United States Code, Section 1344 and Section 2.

COUNT 6

Theft or Embezzlement by a Bank Officer or Employee

13. The allegations contained in paragraphs 1 through 11 of the Indictment are hereby realleged and incorporated as if fully set forth here.

14. Beginning at a time unknown but at least since May 2012 and continuing on through April 2013, in Tulalip, within the Western District of Washington, and elsewhere, LINDA KNUTZEN, an employee of Bank of America, a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation, with intent to injure and defraud Bank of America, did knowingly and willfully embezzle, abstract, purloin and misapply, and did aid and abet the knowing and willful embezzlement, abstracting, purloining and misapplication of, approximately forty-five thousand dollars (\$45,000) of the moneys and funds of Bank of America and moneys and funds entrusted to the custody and care of Bank of America.

All in violation of Title 18, United States Codes, Section 656 and Section 2.

ALLEGATION OF FORFEITURE

15. The allegations contained in the above paragraphs of this Indictment are hereby re-alleged and incorporated herein by reference for the purpose of alleging forfeitures to the United States pursuant to Title 18, United States Code, Section 982(a)(2)(A), and 982(a)(8)(A).

18. Upon conviction of an offense charged in Counts 1-5, in violation of Title 18, United States Code, Section 1344, LINDA KNUTZEN shall forfeit to the United States of America, pursuant to Title 18, United States Code, Sections 982(a)(2)(A), and 982(a)(8)(A), any and all property, real or personal, that constitutes or is derived, directly or indirectly, from proceeds traceable to the offense, and/or any and all property, real or personal, that was used or was intended to be used to commit, facilitate or promote the offense. The property to be forfeited includes, but is not limited to, a sum of money representing the proceeds obtained as a result of the offenses charged in Counts 1-5 of this Indictment.

19. Substitute Assets. If any of the above-described forfeitable property, as a result of any act or omission of the Defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty; the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

1 All pursuant to Title 18, United States Code, Sections 982(a)(2)(A) and
2 982(a)(8)(A), Title 28, United States Code, Section 2461(c), and Title 21, United States
3 Code, Section 853.
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5
6 A TRUE BILL:

7 DATED: 11-30-16

8 *Signature of the foreperson is redacted*
9 *pursuant to the policy of the Judicial*
10 *Conference of the United States*

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FOREPERSON

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